

The Great Game...Still

This blog post was first posted to the International Centre for Security Analysis blog on the 21st April 2015.

Russia and North Korea made headlines earlier this year when they declared 2015 a '[year of friendship](#)'. With Western sanctions over the Ukraine conflict biting in Moscow, Russia is increasingly isolated from Europe and the OECD. Hermetic North Korea for its part is increasingly eschewed by China, hitherto its only ally. Given their isolation, both are seeking to diversify their international relationships for political and economic reasons.

Their 'friendship' has manifested in a number of ways. Russia and North Korea will now trade in Roubles through North Korea's Foreign Trade Bank in violation of international sanctions, begin military cooperation (including joint exercises), engage in parliamentary exchanges and summits, and increase [economic ties](#).

However, a closer look at these actions reveals that, economically and politically, 'Russia is not interested in North Korea, they are interested in northern Korea,' as one [former US official put it](#).

Indeed, it appears that Putin has focused his attention on Pyongyang in order to increase ties with South Korea and edge in on the United States' sphere of influence in East Asia, a region of far greater strategic and security value to Washington than Ukraine. For one, increased ties with North Korea serve a political purpose in that influence over Pyongyang and the Six-Party denuclearisation talks provides Russia with greater international standing. A conspicuous absence of military aid to North Korea also signals Russia's lack of interest in substantive military cooperation. It also seems unlikely that Russia and North Korea would ever fight together, especially against South Korea or the United States, the North's most probable adversaries.

Moreover, it appears that Moscow does not intend to give Pyongyang any aid beyond infrastructural investment that will support Russian trade with South Korea. Whilst one

could construe Russia's forgiveness of Kim's US\$11billion debt as a form of economic aid, few expect North Korea to ever be able to repay these loans. Meetings between Putin, Kim Jong-un and parliamentarians seem equally symbolic or along the lines of continuing economic ties. This makes sense because North Korea cannot provide Russia with substantive profits, if any.

It is not surprising, then, that Russia's economic and political value extends south of the 38th parallel. Two projects, the [inter-Korean Rajin-Khasan project](#) and a [gas pipeline](#), will bring natural gas, coal, and goods through North Korea to the entire Korean peninsula, fostering economic growth in both the North and South. South Korea's president Park Geun-hye will endorse this as it goes along with her unification strategy of engaging with North Korea and bolstering it economically, not to mention that the pipeline will supply South Korea with 20% of its energy demand. Increasing economic ties with South Korea will bring it into Russia's influence – and away from the US. If South Korea agrees to the pipeline, Russia will hold similar leverage over South Korea's energy needs [as it does over Europe](#). This chess piece would be particularly useful in debating over already contentious topics such as the [THAAD deployment](#).

Korea seems to be just one variable in a larger strategy in deterring Western influence, and international relations and great power politics do not alone drive this economic refocus. With the economic crisis in Russia, Putin is also keen to attract funds for the sake of Russia's own economic growth and to show Europe that it has other markets within which to sell its energy products. Central Asian states, China, or Turkey could have fulfilled this role, though these economic relationships would not produce the same political consequences as bolstering ties with the Koreas. These matter most of all.

Russia's resurging interest in the Korean peninsula is a reaction to the West encroaching on Russia's sphere of influence in Eastern Europe. As such, it appears that Putin intends to establish Moscow as a strong economic and political influence over Pyongyang and create a situation in which Seoul must work with Moscow on North Korean affairs. The Rajin-Khasin port project and the gas pipeline, supplying 20% of South Korea's energy, would further solidify his leverage over Seoul, establishing a foothold in the country that

would draw it away from the US. If the United States views this as a direct effect of its actions in Ukraine and former Soviet states, it may tone down its pro-West efforts there in order to focus on regaining influence in South Korea, which it values more. Putin is banking on it.